



## BIOTECHNOLOGY PRODUCTS APPLICATION FOR LESSOR FOR SALES AND USE TAX DEFERRAL

### Name, Address, and Phone Number of Business

Telephone No. ( ) \_\_\_\_\_

### Name, Address, and Phone Number of Contact Person

*(All correspondence will be directed to this person)*

Telephone No. ( ) \_\_\_\_\_

Email Address: \_\_\_\_\_

### Department of Revenue Tax Reporting Number

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Check One:

Business is New ☐

Business is Expanding ☐

### Location of Investment Project

County \_\_\_\_\_

Address \_\_\_\_\_  
*Street Address*

\_\_\_\_\_  
*City, State and Zip Code*

### General Instructions

**Filing:** This application must be mailed or faxed to the Washington State Department of Revenue **and approved** prior to initiation of construction and/or possession of machinery and equipment within Washington State.

**Initiation of Construction** is defined for this deferral program as the date that a building permit is issued.

**Biotechnology** means a technology based on the science of biology, microbiology, molecular biology, cellular biology, biochemistry, biophysics, or any combination of these, and includes, but is not limited to, recombinant DNA techniques, genetics and genetic engineering, cell fusion techniques, and new bioprocesses using living organisms or parts of living organisms.

**Biotechnology product** means any virus, therapeutic serum, antibody, protein, toxin, antitoxin, vaccine, blood, blood component or derivative, allergenic product, or analogous product produced through the application of biotechnology that is used in the prevention, treatment, or cure of diseases or injuries to humans.

**Qualified Building** means construction of new structures and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for biotechnology product manufacturing or medical device manufacturing activities.

**Qualified Machinery and Equipment** means all new industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a biotechnology product manufacturing or medical device manufacturing operation.

**Use Requirements:** All businesses must maintain qualified activity at the site of the investment project for the year in which the investment project is certified as operationally complete plus seven additional calendar years. An annual employee survey due March 31 annually is also required during the eight-year period.

**Waiver of Taxes:** If all program requirements are met, the deferred tax is waived by the Department of Revenue pursuant to RCW 82.60.

**Mail or Fax To:** Department of Revenue  
Special Programs Division  
PO Box 47477  
Olympia WA 98504-7477  
FAX: (360) 586-2163

**Lessee information**

1. Name of Lessee: \_\_\_\_\_
2. Mailing Address: \_\_\_\_\_
3. Contact Person: \_\_\_\_\_
4. Phone Number: \_\_\_\_\_
5. Department of Revenue Tax Reporting Number  
\_\_\_\_\_
6. Do the lessee and lessor have 100% same ownership? Yes No  
☐ ☐
7. If the answer to question 6 is "Yes", please provide documentation to substantiate the relationship.
8. If the answer to question 6 is "No", has the lessor agreed by written contract to pass the economic benefit of the deferral to the lessee? ☐ ☐
9. If the answer to question 8 is "Yes", is the economic burden of the deferral passed to the lessee no less than the amount of tax deferred by the lessor and evidenced by written documentation of the type of payment, credit, or other financial arrangement between the lessor or owner of the qualified building and the lessee AND has the lessee signed the statement below agreeing to complete the annual survey required by RCW 82.60.070?

Please have the lessee sign the following statement.  
Failure to do so will prevent approval of the application.

I agree to file an annual survey with the department of revenue each March 31<sup>st</sup> following for eight years, beginning with March 31<sup>st</sup> following the calendar year in which the investment project is certified by the department as operationally complete.

Name \_\_\_\_\_ Date \_\_\_\_\_  
Title \_\_\_\_\_

*(Please attach a completed Lessee's Application, if applicable, a copy of the signed lease agreement, and other written documentation in support of your answers to question 8 and 9, if applicable.)*

**Estimated Investment Project Costs**

*Include only those costs that will be paid for by the applicant.*

## 9. Structure:

Date building permit will be issued \_\_\_\_\_

Construction of new structure(s) \$ \_\_\_\_\_

Leasehold improvements paid for by applicant \$ \_\_\_\_\_

Expansion or renovation to expand floor space or production capacity \$ \_\_\_\_\_

*(continued next column)*

Construction of cogeneration facility \$ \_\_\_\_\_

**Total Structure Costs**

\$ \_\_\_\_\_

## 10. Machinery &amp; Equipment:

Date equipment is to be installed \_\_\_\_\_

Purchase Price \$ \_\_\_\_\_

Lease Contract Price \$ \_\_\_\_\_

Fair market value of previously owned machinery and equipment that is new to the State of Washington \$ \_\_\_\_\_

**Total Machinery & Equipment Costs**

\$ \_\_\_\_\_

## 11. Total Costs

\$ \_\_\_\_\_

## 12. Estimated Completion Date:

\_\_\_\_ / \_\_\_\_ / \_\_\_\_

**Business Activity to be Conducted at this Facility**

*If additional space is needed to answer questions 13 and 14, please attach additional pages.*

## 13. Describe the nature of lessee's manufacturing activity at this facility: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Apportionment of Structure**

*If the facility is used partly for research and development and partly for other purposes, the applicable tax deferral shall be determined by apportioning the costs of construction.*

## 15. Percentage of facility devoted to:

Accounting/Payroll	_____ %
Administration	_____ %
Cafeteria	_____ %
Common Areas	_____ %
Conference & Training Rooms	_____ %
Customer Service	_____ %
Manufacturing	_____ %
Pilot Scale Manufacturing	_____ %
Reception Area	_____ %
Research & Development	_____ %
Sales & Marketing	_____ %
Warehouse	_____ %
Other (please describe)	_____ %

Total

100 %

**Lessee Employment Information**

16. Average Number of Full Time Equivalents (FTEs) for Previous Calendar Year.

(1820 annualized hours worked = 1 FTE):

Entire Business: \_\_\_\_\_

At This Facility: \_\_\_\_\_

17. Estimated *or actual* number of new FTEs as a result of this project: \_\_\_\_\_

18. Estimated *or actual* wages of FTE's related to this project:

\_\_\_\_\_  
\_\_\_\_\_

**Use of Facility**

All businesses must maintain a qualified activity at the site of the investment project for the year in which the investment project is certified as operationally complete, plus seven additional years.

Yes      No

19. Do you plan to operate this investment project in a qualified manner for 8 years from the time the project is complete?

☐      ☐

20. If the answer to question 19 is "No", how long do you plan to operate this investment project with qualified use?

\_\_\_\_\_

If the manufacturing or research and development activity is not maintained, all or a portion of the deferred taxes outstanding for this investment will be immediately due. The department will assess interest at the rate provided for delinquent excise taxes, but not penalties, retroactively to the date of the deferral.

**Audit Records Location**

If your application is approved, a deferral certificate will be issued using the estimates from your application. Upon completion of the project, an auditor will verify that you are performing qualified activities at this facility. They will also verify that the approved percentage of your structure and 100% of the machinery and equipment are eligible for the deferral. The auditor may adjust the allowable deferral based on his or her findings.

To minimize inconvenience and the time it takes to complete an audit, please have the following records for the audit period available for your meeting with the auditor:

- Purchase invoices (i.e., accounts payable, receipts)
- Supporting documentation for the construction, such as construction contracts
- Original Sales and Use Tax Deferral Certificate

Although most audits can be completed with the above records, additional documents may be required during the audit.

Please complete the following information about the contact person and audit records location if this information is currently available:

21. Contact person:

\_\_\_\_\_

22. Phone number of contact person:

\_\_\_\_\_

23. Location of audit records

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

For tax assistance, visit <http://dor.wa.gov> or call (800) 647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users please call (800) 451-7985.